Volume : 2 | Issue : 5 | May 2013 • ISSN No 2277 - 8160

Research Paper | Management

Social Media – A New Marketing Exemplar

Dr.Archana Dadhe

Department Of Management Sciences & Research,G.S.College Of Commerce & Economics, Law College Square , Civil Lines Nagpur

ABSTRACT

Technology and the boom of the internet have encouraged people to connect with each other, share information and build relationships and the social web has presented a new form of communication through social media which allow people to interact and converse with each other . This presents marketers with the opportunity to affect consumers purchase decisions through online marketing and social media. This social engagement by consumers has significant impact on marketing activities of MSMES as marketers .& need to be aware of the factors affecting consumer's purchase

KEYWORDS: MSME , Social Media , entrepreneurs , Chi Square

INTRODUCTION

The Indian micro- and small & Medium enterprises (MSMEs) sector plays a pivotal role in the country's industrial economy. It is estimated that in value, the sector accounts for about 45 percent of manufacturing output and about 40 percent of total exports. In recent years, the MSME sector has consistently registered a higher growth rate than the overall industrial sector. The major advantage of the MSME sector is its employment potential at a low capital cost.

There were days when Micro , Small and Medium Enterprises were by and large restricted to local regions for their customers. Primary reason behind this was their inability to spend huge amounts on marketing and advertising – a move which could connect them to wider and more client base, and across geographies. This was a major point of differentiation between such small enterprises and the large companies. However, the meteoric rise of social media has changed this trend.

There was a time when the shelf life of a brand used to be longer with a select few options for branding medium and the effectiveness of the brand propagation itself. But with the internet revolution and the fast changes happening in the technology world itself things are rapidly changing.

Gone are the days when an online presence of a company through only a website was imperative. Now is the era of the fast paced new technological evolution where not only a website presence is imperative but its social media presence enables organizations to build stronger brand images.

The most prolific challenge faced by MSMEs is maintaining consistency in their daily operations; this maintenance of consistency in exploring the social media marketing possibilities eventually helps them to succeed by enhancing relationship with clients. Social media marketing offers this exclusive opportunity to SME owners to effortlessly engage with customers through digital interaction.

A Chi square test was carried out to find out the association between influence of sales of Micro , Small & Medium Enterprises by traditional marketing tools & Social media marketing tools.

OBJECTIVES OF THE STUDY

1) To study whether the employees in Micro, Small & Medium Enterprises & Customers are aware about the various social media tools.
2) To study whether social media tools or Traditional Marketing tools have an impact on sales.
3) To determine what activities are carried out by MSMEs in using social media tools.
4) To determine which social media can deliver best to the MSMEs.
5) To study the impact of social media tools and Traditional Marketing tools on Buying decision of consumers.

HYPOTHESIS

1) H0 : Buying decisions of customers is equally influenced by Social Media Marketing Tools & Traditional Media.

H1: Buying decisions of customers is not equally influenced by Social Media Marketing Tools & Traditional Media.

2) H0: The sales of Micro, Small & Medium Enterprises are equally influenced by the impact of Traditional Media & Social Marketing Tools.
3) H1 : The sales of Micro, Small & Medium Enterprises are not equally influenced by the impact of Traditional Media & Social Marketing Tools.

Social media marketing

what is social media?

Since the term "social media" was first introduced into our lexicon in 2004, the rapid changes in technologies and fragmentation into various forms of social media has been beyond belief. This evolution makes defining social media a bit slippery. According to the Merriam-Webster dictionary the definition of social media is "forms of electronic communication through which users create online communities to share information, ideas, personal messages, and other content".

Social media marketing, or SMM, is a form of internet marketing that implements various social media networks in order to achieve marketing communication and branding goals. Social media marketing primarily covers activities involving social sharing of content, videos, and images for marketing purposes.

List of social media platforms

1. **Social networking sites**- Facebook, Google Plus, CafeMom, Gather, Fitsugar
2. **Micro-blogging sites**- Twitter, Tumblr, Posterous
3. **Publishing tools**- WordPress, Blogger, Squarespace
4. **Collaboration tools**- Wikipedia, WikiTravel, WikiBooks
5. **Rating/Review sites**- Amazon ratings, Angie's List
6. **Photo sharing sites**- Flikr, Instagram, Pinterest
7. **Video sharing sites**- YouTube, Vimeo, Viddler
8. **Personal broadcasting tools**- Blog Talk radio, Ustream, Livestream
9. **Virtual worlds**- Second Life, World of Warcraft, Farmville
10. **Location based services**- Check-ins, Facebook Places, Foursquare, Yelp
11. **Widgets**- Profile badges, Like buttons
12. **Social bookmarking and news aggregation**- Digg, Delicious
13. **Group buying**- Groupon, Living Social, Crowdsavings

Types of Marketing Tools

Marketing creates an avenue of exchange between a business and a customer.Businesses use various marketing tools to communicate information, stimulate customer interest and motivate action. An integrated marketing approach applies several tactics to engage customers and build business.

Traditional Media

Traditional media -- such as billboards, banners, newspapers, magazines, television, radio and telephone directories -- involve marketing tools such as paid print advertisements, commercials and news releases. This approach focuses on a one-way sales push and relies on reaching high numbers of people to ensure success. Advertising is a costly marketing tool; however, traditional media outlets remain the most trusted sources of information, according to the 2012 Edelman Trust Barometer survey.

Digital Media
Computer software technology can reach potential customers with targeted, measurable communications. Specific digital media marketing tools include search engine optimization, mobile marketing, interactive online advertisements, opt-in email and online partnerships such as affiliate marketing and sponsorships. A key component of digital marketing tools is Web analytics, which provide information on an Internet user's online activities, IP address and search keywords. To engage in digital media marketing, companies can hire digital media marketing agencies or utilize software as a service applications.

Social Media
Social media marketing is a subset of digital media marketing. However, the goal of social media marketing tools is to develop an interactive, online relationship with the customer rather than to mine covertly for customer data. Specific examples of social media marketing tools include blogging, tweeting, posting, sharing, networking, pinning, bookmarking, media sharing and commenting on social media websites such as Twitter, Facebook, Orkut, LinkedIn, Pinterest, Reddit and YouTube. Social media marketing offers entrepreneurs by offering low-cost tools with potentially high returns.

Promotional Items
Promotional items, such as brochures, business cards, press kits, websites, informational videos and merchandise, are tangible marketing tools. In addition to increasing sales, promotional items contribute to building brand awareness, but cost is a factor when selecting these items.

RESEARCH METHODOLOGY
Primary Data collection tool was used for study. Data was collected from respondents through questionnaire. A structured questionnaire using 5 point Likert scale was selected for the research.

The Sample Size :
It comprises of 300 employees from MSMEs & 300 customers in Nagpur Region of 25 – 60 age group. Stratified Random Sampling method was used for the study.

Different sectors were covered like Gems & Jewellery,Travel & Tourism , Sanitory,Electrical equipments,retail outlets of food & beverages ,IT , Hardware,Chemicals , Leather products,Fabrication,Steel products etc.

DATA ANALYSIS & INTERPRETATION
A Chi square test, Percentage , Frequency & Cross Tabulation was implemented to find out the association between influence of sales of Micro , Small & Medium Enterprises by traditional marketing tools & Social media marketing tools.

1) The impact of social media tools or Traditional Marketing tools on Buying decision of consumers.
To Study whether the buying decision of consumers of MSMEs is influenced by social media marketing in comparision with traditional tools. The data is gathered & analyzed with the help of Chi square test & percentage method.

Table : 1 Impact on buying decision of consumers

The impact of social media tools and Traditional Marketing tools on Buying decision of consumers.							
Impact on Buying Decision through Traditional Media							
Impact on Buying Decision through social Media Marketing tools		Strongly Agree	Agree	Moderate	Disagree	Strongly Disagree	
	Strongly Agree	10(4.69)	9(2.90)	14(13.62)	4(29.48)	30(16.30)	67
	Agree	9(10.08)	2(6.24)	39(29.28)	70(63.36)	24(35.04)	144
	Moderate	0(2.87)	2(1.77)	4(8.33)	32(18.04)	3(9.97)	41
	Disagree	0(2.59)	0(1.60)	4(7.52)	23(16.28)	10(9)	37
	Strongly Disagree	2(0.77)	0(0.47)	0(2.23)	3(4.84)	6(2.67)	11
	Total	21	13	61	132	73	300

Expected frequency of any cell = RT x CT
N
Figure in bracket depict expected frequencies
$X2 = \Sigma (O-E)2$
E
Calculated value of X2 = 101.68(Significance at 5 % level)

Table value of Chi Square is 26.29
Degree of Freedom = (C-1)(R-1)
= 4x4

Interpretation –
The calculated value of Chi square is 101.68 greater than the table value 26.29 at 5 % level of significance with 16 degrees of freedom. HenceH0 is rejected & H1 is accepted so it proves the hypothesis.

2) To study whether social media tools or Traditional Marketing tools have an impact on sales. To determine whether the sales get influenced by social media marketing like Wikis, Social Networks or traditional media like sales promotion, advertisement , Print ,Radio or television.
= 16

Table 2 :Impact on Sales of MSMEs

The impact of social media tools and Traditional Marketing tools on sales							
Sales of MSMEs through Traditional Media							
Sales of MSMEs through Social Media Marketing tools		Excellent	Very Good	Good	Fair	Poor	
	Excellent	0	0	20(14.7)	17(25.41)	26(22.89)	63
	Very Good	0	0	30(19.36)	42(33.47)	11(30.1)	83
	Good	0	0	10(24)	51(41.54)	42(37.42)	103
	Fair	0	0	8(9.1)	10(15.73)	21(14.17)	39
	Poor	0	0	2(2.8)	1(4.84)	9(4.36)	12
	Total	0	0	70	121	109	300

Calculated value of X2 = 47.8(Significance at 5 % level)
Table value of Chi Square is 26.29

Interpretation -
The calculated value of Chi square result from above table is 47.8 is greater than the table value 26.29 at 5 % level of significance with 16 degrees of freedom. HenceH0 is rejected & H1 is accepted so it proves the hypothesis.

CONCLUSION:
Social media Face Book,Linkedin,Google,Twitter , Orkut ,Flickr , You tube , Ibibo , RSS(Really Simple Syndication) & Blogs has allowed for increased situational awareness in terms of a changing environment ,thus social media marketing is playing an increasingly important role in marketing . It was further concluded that whilst social media marketing presents marketers with a more cost effective form of marketing. The buying decision of consumers is influenced by social media marketing in comparision with traditional tools.

The sales of MSMEs get influenced by social media marketing like Wikis, Social Networks in comparison with traditional media like sales promotion, advertisement , Print ,Radio or television.

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